App. F. IX

Previous Reference 1933 (Lups

File No. 49-33
Serial Nos. 1 – 3

PRESERVED

Later References.
Lups 39-36
-37-1 J.A Collections
Confidential Section No 21-39

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Nil

Manuscript Part B for Oct- 39

SUBJECT.

~~Draft~~ Regulation to provide for the imposition and Collection of an Excess Duty on Liquor

Serial No.

If the Sugar Excise Duty is levied here, from 1st of October, the Factory will have to pay to the Government of India duty at Rs 26-4-0 per ton on all quantities sold in British India from 1st April 1934. Taking the total sales subsequent to 1st April at 5000 tons and about half of it as sold in British Indi the amount which would be payable to the Government of India would be 2500 X Rs 26-4-0. This would amount to Rs 65,625/- which is a substantial figure and there is no reason why this payment should be made to the ~~Govern ment to the~~ Government of India without benefiting either the Factory or the Government. We may avoid this payment by levying the duty here from 1st April and may give to the factory the extra expense they are put to namely, the duty on the sales within Mysore, by showing them suitable concessions in other direction e.g. (1) by temporarily reducing the rental on the land leased to the Factory; (2) by temporarily reducing the rate of interest on the Cash Credit or (3) by temporarily giving them an increased rate on the alcohol manufactured by them etc.

If this suggestion is adopted, the Sugar Factory will not be in a worse position than if the Duty was levied on 1st October 1934 and the Government of Mysore would gain about Rs 65,625/- which would otherwise go to the Coffers of the Government of India.

Second Member.
D E W A N.

WD 01536—GP

of duty in Mysore with the
British Indian Act

I presume this note
is sent as a result of the talk
which the H Secy had with me.
The date bearability of the levy
has to be settled in Cl & the date
of levy has then to be fixed. I mentio
that the levy cd be done at the earliest
from July as otherwise it would ha
to be done by an Ordinance which
wd not be satisfactory with the
Assembly & LC Sessions to close.
There have to be
discussed before the date is
definitely decided upon. I
put up the file. The H Secy
drafting a bill under my instr

I understand that the file referred to above
has been submitted to the Second Member for orders
and sent to Camp Nandi.

II Member)

Serial No.

Extract from the Hindu dated 28th February 1934

Bills for the imposition and collection of ~~Excise duty on Sugar and matches.~~

1) Submitted for kind perusal. Reference is invited to the Government of India Finance Member's speech presenting the Indian Budget for 1934-35.

2) ~~Excise~~ duty on sugar The Indian states in which sugar is produced will be invited to impose for their own benefit excise duty ~~on Beet~~ on sugar at the rate of Rs 1-5-0 per cwt, which is proposed to be levied in British India from 1st April 1934, in order to maintain fair competition. It is also stated that power will be taken to recover the duty on sugar imported from the States that do not agree to this proposal and that it is hoped that no State in which sugar is produced will adopt that attitude.

3) About 8000 Tons of sugar are expected to be manufactured in the Mysore Sugar Factory again and the excise duty on it will amount to ~~about~~ one Rs Two lakhs per annum.

4) I think action has immediately to be taken to levy excise duty on sugar in Mysore.

5) Excise duty on Matches. The Government of India propose to levy an excise duty of Rs 2-4-0 per gross of boxes on matches made in British India from 1st April 1934. It is stated that ~~that~~ the great majority of states in India have signified their willingness to enter into an agreement under which every State in which matches are made or may in future be made will recover the corresponding tax, paying proceeds into a common pool along with the proceeds of the British ~~and~~ Indian tax and amounts in this pool will be divided ~~on~~ on the estimated consumption basis between British

WD 0434—GPB—15,000—12-10-32

India and all States that have entered into this agreement. It is also stated that the power of prohibition of imports is to be ~~raised~~ taken against matches produced in any state that declines to enter into this agreement.

6) According to the Finance Member's speech, the total proceeds of this excise duty for the whole of India will be three crores of rupees and out of this on the population basis about Rs 70 lakhs will be distributed among the States. The Mysore share on the population basis will be about Rs ~~5~~ 5½ lakhs. Vide page 18 of the Notes on White Paper.

As these excise duties have necessarily to be ~~levied~~ levied in Mysore immediately, the Revenue Branch or the Financial Branch (Excise section) may be asked to take immediate action, in consultation with the Law section.

2-3-34

(Secy) 2.3.34

2nd (Mr Devan) 7/3

8) The question of levying the duty at once on matches may be taken up as it is profitable to do so. No official intimation from Govt of India has been received yet & we may await the to have official confirmation of the items.

9) The duty on sugar may also be taken up early. The Govt of India propose to levy it from April 1st & we may perhaps take up its levy from 1st July, our

4803 3500
— H D 5

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

D... FFICE
5 MAR. 1934
No. S.593.

opl year. This will give some time to the Mysore Sugar Co to establish itself more firmly

Jpn 3/3

Dhwani)

5/3/34

(b) We have already agreed that excise duty on matches and connected matters should not be taken up at present. As regards the excise duty on sugar, we may await further developments.

(1) Submd. for perusal. (The previous correspondence re: levy of duty on matches has been submitted separately. Further action in regard to the levy of the duties and their collection etc. may perhaps be taken in the Dev. Secrett in consultation with Exa. Secrett

Qpl 7/3/34
Chief Secy.

File No. | of 193 | General and Revenue Secretariat

Serial No. 1/11/2

Subj

~~Copy of the Orders passed on the above~~ ~~Papers~~ ~~are~~ ~~placed~~ ~~before~~ ~~Board~~ ~~for~~ ~~Legislative~~ ~~action~~ ~~for~~ ~~this~~ ~~Division~~ ~~is~~ ~~necessary~~

13) From the note in para 11 above it is seen that section papers connected with levy of Excise duty on matches, have been separately submitted. If approved, C.B. will be requested to put up those papers such as they are necessary for the disposal of this case.

13/3/34 C.B.

13/3/34 DCV Sec)

14) W.D. 14/3/34

15) The Govt. Mysore have agreed to the levy and also about to gain by the arrangement. Steps should therefore be taken to see that the levy in Mysore synchronises with that in British India. It may be necessary to convene a special meeting of the Legislative Council for this purpose and Govt. may have to issue a special ordinance about this. The R & O Legislative Branch may be consulted. (1)

16) Meanwhile, the claim taken by the G.V.S. to introduce legislation should be watched. Recently there was some misapprehension about this which was believed only about match factories. Matches should be duly. This should be put up. (2)

17) The current output of the Match factories should be ascertained through the Dy. Sec. Rapid action is necessary to avoid loss. (3)

14 MAR 1934 2103

MW. 15.3.34. 15/3/34

Serial No.

Urgent

Subs

18) A draft calling for information on point three is put up for ~~passing~~ approval, in the first instance

ICMR 15/3/34 CG 15/3/34 Appd Issue (& take action as ① × ② above.)

WO 15/3/34

Type & Submit

No. D. 4465/D1 17.3.1934

The Dir of Stc.

Requests to furnish information about the Correct output of the several match factories in the State.

19) R.A. and L.C. section for favour of furnishing opinion on the point raised in para 15 above

ICMR 19.3.34 If appd the file will now be forwarded to the R.A.&L.C. office for favour of furnishing the opinion on point No (1) of the Secretary's note Sd/-

CG 19/3/34 20) WO 19/3/34

No 2562/78-1934 Dt 9.4.1934

From

The Secretary to the Government

Forwards copies of papers relating to the introduction of the Sugar Excise duties Bill in the Legislative Assembly, and the

Imposition of an excise duty on Sugar

File No. of 193 General and Revenue Secretariat

the imposition of an excise duty on sugar and suggests that for reasons explained the Govt of Mysore may not consider the desirability of the levy in Mysore also

21| As in the case of the Excise duty on matches, it is to be within the power of Federal Govt to allot a portion of the proceeds to the members of the Federation

Subs vide refce to paras 7 and 10 supra

Copy of the Govt of India Bill is put up for refce. It is understood that the Bill has been referred to a Select Committee for report within a week.

14 (vi) Clause (6) of the Govt of India Bill provides for imposition of duty on sugar imported into British India from any State which does not consent to impose a countervailing excise duty The Govt of India suggest that Mysore should consider the advisability of levying a duty on sugar manufactured

5466/P

Imposition of an Excise Duty on Sugar.

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

e.g. on which would be in their hands.

The Govt. of India Bill has been referred to the Select Committee. The question for orders are (1) from what date we should impose the Excise duty. If it is to be prior to 1st July, an Ordinance will have to be issued. I think we can take action only after the Govt. of India Bill becomes law, as the Select Committee are reported to have made some changes

Chief Secretary) 9/4/34

2) The exact form which the Govt. of India Sugar Excise bill will take may not be settled.

We may perhaps tell the Assembly that we would be prepared to levy a Countervailing Excise duty on Sugar & that the details will be settled after the G. of I. bill becomes law.

2nd Member. RG
I Member & 10/4/34 - a
D.E.War. 11/4
2) I agree
Today's paper it that the duty would be levied in India on 1st August

Yours
10/4 - Yr
25 a 11/4
12/4/34 a 11/4
2) a
13-4-34 a
RG
4/4/34
a 12/4

OFFICE OF THE SECOND MEMBER OF COUNCIL. 10 APR. 1934 No 6561

OFFICE OF THE FINANCE MEMBER OF COUNCIL. 11 APR. 1934 8036

NOTE—Contn. Sheet

WD 0434—GPB—15,000—12-10-33

10 Excise Duty on Sugar

10

File No. 5466/P of 193

General and Revenue Secretariat

Serial No.

27) draft letter to the Residency Subd

28) For pers. attn. see

Chief Secy) 6/8/34

DR 19/4/34

29) Dr. 11 19.4

CHIEF SECRETARY. 19 APR. 1934

TYPING SECTION. 20 APR. 1934 GENL. & R. V. SECTT.

No. P. 1515 Dt. 20.4.34

To

The Secretary to the Government of India in the Department of Revenue and Statistics, Simla.

Sir,

I am directed to forward herewith a copy of the Bill to provide for the imposition of a countervailing excise duty on sugar and to state that the details will be settled after the Government of India Bill becomes law.

2. I enclose a copy of the Gazette of India containing the Report of the Select Committee on the Sugar (Excise Duty) Bill as finally passed.

3. The amendments tabled in the Assembly were all rejected and the duty originally proposed in the Bill was restored.

Excise Duty on Sugar. >460 P

General and Revenue Secretariat | File No. | of 193 | [App. F. III—

Serial No.

The Bill was passed by the Assembly
The discussions in the Assembly
reported in the Leader of 20th & 21st
inst are also put up for perusal

Dom
24/4

31) The amendments of the Select Committee
were all thrown down in the Assembly
A draft Bill on the lines of the G of I Bill was
drafted with Statement of Objects & Reasons

32)
Draft of a Bill based upon the
Govt of India Bill is herewith put up.
The S.C has recommended the
levy of duty at a lower rate on
Khandsari Sugar v. Palmyra Sugar.
It is for consideration whether these
should be included in our Bill as well
Some other changes of a consequential
nature and a few minor changes
made by the S.C are also indicated
in the draft Bill in pencil

Dom

File No. of 193

General and Revenue Secretariat

Serial No.

34) The Sugar Excise Duty Bill has been passed by the L.A & the Council of State. It takes effect in British India from 1st April 1934.

A draft Regulation on the lines of the Bill as passed in the Legislative Assembly is submitted for consideration. For orders if the Bill (Statement of general concepts) may be placed in R.A in June & introduced in the L.C (June Session).

The Sugarcane Bill has been ordered to be introduced into the L.C in June. It is under print & will if approved be published in the Gazette. It is perhaps more convenient to deal with these measures in two separate Bills. The Sugarcane Bill will have to go before a Select for detailed consideration, while the Sugar Excise duty Bill being a finance measure may be passed at one sitting or considered in a Select Committee during the session of the L.C itself. (Sugar Industries Safeguarding Bill)

Dear Sec)

2nd Member

1/5/34

1 MAY 1934
6455

35) The Resn has been informed that we are prepared to levy a countervailing excise duty o

(For Disposal at a Meeting)

No. C. 295

13

.....193...

GENERAL AND REVENUE SECRETARIAT.

uncil Matter.

Subject

(clause II of the schedule)

The Sugar (Excise Duty) Bill and the Sugar Cane Bill.

36) *Circulated to the Members of Council.*

By Order,

R. Rangarao

th May.....193 4.

Chief Secretary to Government.

First Member of Council. Please see notes 9/105

Second Member of Council. (Seen)

52669 pg

3356c

294 14
14

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

DEWAN'S OFFICE
5 MAY 1934
No. 6969

OFFICE OF THE SECOND MEMBER OF COUNCIL
-5 MAY 1934
No. 713

36) Sugar after the Bill become law in British India. Now that it has been passed, a draft Regn on the lines of the British Indian Act is put up for consideration. In the usual course it has to be placed before the Representative Assembly in June & later on introduced into the L.C in June Session. The date from which the duty has to be collected, for consideration. The two alternatives are 1st July or 1st Oct which would be the close of the Crushing season.

The Sugar Cane bill may be separately published for being introduced into the L.C.

Both the questions may be discussed at a meeting of Cl. if Dewan agrees.

Sgn
4/5

Dewan

5.5.

37) Yes, at an early meeting

Sd.
5/5

35) The Sugar cane bill is not on the file
May it see a copy of it
kg

* put up - Vide linked file) K.S
bmd 10/9/36

The Sugar Industries Safeguarding Bill.

---

2) The two main provisions of the Bill are (1) regulation of the starting of factories by a system of licensing and (2) fixing of a minimum price to be paid to the growers of sugarcane.

The Government of India Act of 1934 on the subject confines itself to the second point. I am inclined to the opinion that having regard to the existing conditions in Mysore, as in the rest of India, for the present our Bill may also confine itself to this one point. Capital is very shy in Mysore and a regulation which requires the taking out of licenses and contains provisions for cancellation of licenses is likely to act as a ~~very strong~~ deterrent against capital being invested on sugar factories. The chances of cut-throat competition will be considerably minimised if the provisions for a minimum price being assured to growers are enforced and the existence of more than one potential purchaser of cane is the best guarantee for growers securing a fair price.

Apart from the Irwin canal area there are several other tracts in Mysore which are well suited for the growth of cane, for instance, parts of the Shimoga District, (such as the Bhadra area and Anjanapur area), portions of Hassan District, etc. One should like to see a number of small factories springing up in various parts of the country and it is desirable to avoid passing legislation which may have

Serial No.

the effect of standing in the way of such development. At any rate, until we see a tendency towards factories coming into existence in an indiscriminate, hap-hazaar and unprofitable manner, it seems desirable to postpone the passing of a law for regulating the starting of factories by licenses.

hc
11/5/34

Sd
40) 11/5/34

DW

41) I am in favour of both the provns of the bill. The system of licensing the factories is a necessary & almost a consequential part of the bill. It was specially introduced inter among other reasons such as prevention of overcrowding etc to enable us to give effect to the portion re the fixing of prices. The weakness of the Govt of India Act lies in their having no definite provn for enforcing their decisions. This point was discussed elaborately in the Sugar Conf ce. As already ordered, this may be discussed at a meeting of Cl

Extract from the Proceedings of the.....915th.....*Meeting of the Council of His Highness the Maharaja, held at Bangalore on the*.....11th May 1934.....*19*

61. Subject. - Clause ii of the schedule.

The Sugar (Excise Duty) Bill and the Sugar Industries Safeguarding Bill.

OPINION OF THE COUNCIL.

he Sugar (Excise Duty) Bill may be approved.

The Sugar Industries Safeguarding Bill may be approved with the omission of the provision regarding the cancellation f licenses.

(Signed) MIRZA M. ISMAIL,

DEWAN.

Final Note by the Second Member of Council.

Subject:—

Bill to provide for the imposition and collection of an excise duty on Sugar.

(48) In their communication dated the 9th April 1934 forwardir the papers connected with the introduction by the Government of India of a Bill in the Legislative Assembly about the levy of exci duty on sugar at the rate of Rs.1-5-0 per Cwt., the Residency have stated that though the Bill when it becomes an Act will not extend to manufacturers in Indian States, the consequences would be that unless measures were taken to prevent it, the factories in Indian States, which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers, and that in order to protect British Indian manufacturers, Clause 6 of the Bill is designed to give power to the Governor General in Council to impose an import duty equivalent to the excise duty, on sugar imported in British India from any Indian State, not declared as a foreign ter tory under Section 5 of the Indian Tariff Act, 1894. As the Gove ment of India have however decided not to exercise this power in respect of any Indian State which consents to impose a countervail ing excise duty, the revenues of which would go to the treasury of the State concerned, a suggestion was conveyed in the Residency let ter that this Government should consider the advisability of levyin this countervailing excise duty on sugar manufactured in our territory. The Government replied in their letter dated the 20th April 1934 to the Residency that they would be prepared to levy the

the countervailing excise duty on sugar manufactured in Mysore and that the details would be settled after the Government of India Bill became law.

The Government of India Bill has since been passed into law. It is expected that about 6,000 to 8,000 tons of sugar will be manufactured in the Mysore Sugar Factory in a year with the existing plant and the excise duty which would amount to over Rs. Two lakhs per year will go to our treasury. Moreover, the payment of duty to the Government of India on Sugar exported from Mysore to British India will be avoided by the levy.

A Bill providing for the levy of the said duty on the lines of the Government of India Act has been drafted and it is proposed to give effect to it from such date as may be notified in the official Gazette.

Page 17 of Office Notes

The Bill has been agreed to by the Dewan and the First Member of Council and I solicit the gracious sanction of His Highness to place a statement of General Principles of the Bill before the Representative Assembly and to introduce the Bill itself in due course in the Legislative Council.

Sd/- [illegible]

MEMBER OF COUNCIL.

Bangalore,
16th May 1934.

Submitted to His Highness.

I submit herewith a Final Note by the Second
49) *Member of Council on the subject of* the introduction
of a Bill to provide for the imposition and collection
of an excise duty on Sugar,
for His Highness' gracious approval.

Mirza M Ismail

Bangalore, *Dewan.*
17th May 1934.

General and Revenue
Secretariat

Bill to provide for imposition and collection of excise duty on Sugar.

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

(1) Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rama Rau

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

FIRST MEMBER OF COUNCIL. (Seen)

SECOND MEMBER OF COUNCIL.

6279/33

Sugar (Excise duty) Regulation 24

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

52) The General Principles of the proposed measure have been approved by Your Highness the Nizam. The Statement of Objects and Reasons may also be adopted as the Statement of General Principles.

If approved the file may be sent to R.A.V.L.C for placing the Statement before the R.A and thereafter orders may be obtained for publishing the Bill under Rule 8 of the Rules of Business of the Legislature regarding the Bill to be included in the Agenda which be proposed thereafter if so perhaps necessary to pass the Bill at one sitting only.

Sd/-

Secy
26/5/34
Nikki

53) A statement of General principles annexed to the Statement of Objects & Reasons will be placed before the R.A

The Bill will be published under Rule 8 of the L.C. rules & placed before the L.C.

WD 01536—GPB—7,500—5-4-34

Second Member)
54)

Jpn 27/5 Ce 26/5/34 RR 29/5

6279

Sugar (Excess duty) Re

File No. | of 193 | General and Revenue Secretariat

Dewan) Ce 29/5/34

DEPARTMENT OF JUSTICE
29 MAY 1934
No. 7524

55) JMS 29-5-34

56) Re Bill & Statement of objects & Reasons sent to R.A. & L.C. for further action

Ce 30/5/34

57) The proof of the Notification publishing the Bill has been corrected & put up herewith for perusal. This will if approved be forwarded to the Press with print order

BVN 30/5

30/5

No. 5426/L.B. Dated 26th May 1934.

58) A spare copy is put up and the file put to Prot. Br. with Compts).

5/6/34

59) Printed copy of Bill published under Rule 8 is placed in file

The Bill follows the Provisions Act & it is therefore for orders as to whether it may be moved to be passed without ref. to a Select Committee

Excise duty on Sugar... 0421 20

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

6 a)
To the A.A. & C.G. Office for their views & return and for also furnishing us a copy of the reported discussions in the D.A

1-6) Noted & put up
16/6
Z 10/6/34

6 b) A copy of the report of discussion in the D.A is put up for perusal. Members may kindly see the file Re Sugar Industries (Safe-guarding) Bill which is currently under

Done 21/6 2nd Member

6 c)

OFFICE OF THE SECOND MEMBER OF COUNCIL. 21 JUNE 1934 NO.....

6 d) The modification of the second motion refd to above the Bill was referred to a Select Committee consisting of the following M.L.A.s with instructions to report before the end of the present session, viz.—

Messrs.

K. R. Srinivasa Iyengar
N. Madhava Rao.
R. Ranga Rao
M. Venkatanaranappa.
A. V. Ramanathan.
K. T. Bhashyam Iyengar
S. C. Malliah.
P. Subbarama Chetty
K. Chengalaraya Reddy.

WD 01536—GPB—7,500

47 Sugar (Excise Duty) Bill 6439

File No. of 193 | General and Revenue Secretariat

The Select Committee met at 8 p.m. on the 28th inst. and the Report is herewith put up. The Report has also been published under S. 49

The following motions are now suggested

(1) That the Report of the S.C. on the Bill and the Bill as amended by them be taken into consideration

(2) That the Bill be passed

That the Second Time Schedule be Scheduled

(3)

(4) This may be taken up on Monday the 2nd July.

Secretary (Revenue) 29/6/34

30/6

The motions were adopted and the Bill passed as amended by them

(5) Please type out copy

2/7/34

OFFICE OF THE SECOND MEMBER OF COUNCIL 29 JUNE 1934 No. 8970

GENERAL SECTT. 1934

Sugar (excise duty) Bill

General and Revenue Secretariat	File No.	of 193	[App. F. III—2

Serial No.

77 Typed d. & n. Secd

Bom

3/7 2nd Reading) 3/7/34

76) 1/02 5/7

Dewan

OFFICE
1934
123

Final Note by the Second Member of Council.

Subject:—

SUGAR (EXCISE DUTY) BILL.

In my Final Note dated the 16th May 1934, I solicited gracious sanction of His Highness to place a statement of General Principles of the Bill to provide for the imposition and collection of an Excise Duty on Sugar before the Representative Assembly and to introduce the Bill itself in due course in the Legislative Council.

The statement was presented to the Representative Assembly at the Budget Session, but it was not adopted by that Body by a majority of votes.

The Bill was introduced into the Legislative Council on the 26th June 1934 and was referred to a Select Committee with instructions to submit their Report before the closing of the Session.

The Select Committee submitted their report on the 28th June and it was considered at the meeting held on the 2nd July 1934 and the Bill as amended by them finally passed.

I now solicit gracious sanction of His Highness to promulgate the Bill into Law.

MEMBER OF COUNCIL.

Bangalore,
5th July 1934.

Record of Cases submitted for the Orders of
His Highness the Maharaja.

Subject.

Sugar (Excise Duty) Bill.

Order.

~~KRW~~
10/7/34

General and Revenue
Secretariat

Sugar (Excise Duty) Bill.

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

256/17

81) FIRST MEMBER OF COUNCIL. 6/7/17

265/17

SECOND MEMBER OF COUNCIL.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue 17.3.34

Signed by VV

List of enclosures .....

Copied by 17/3/34

Section

File No.

Serial No

Immediate

No. D.4415.

To The Dir of Stc

Sir,

I am directed to request you furnish information as to be so good as to ~~State~~ the Several Correct output of the Match factories in the State.

The matter may kindly be treated as urgent

Thanks

17/3/34

for Secy to Govt

Dev Dept

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Immediate.

Dated, Bangalore, ~~17th March 1934.~~

No. 4465

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Industries
and Commerce in Mysore Bangalore.

Sir,

I am ected to request you to be so good as to furnish information about the correct output of the several Match Factories in the State.

The matter may be kindly treated as urgent.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Development Department.

All Communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

URGENT.

5466 9 P 8

No. 2562/Sec 2
78/1934.

Legislg-33-1

FROM

Major C.G.N. Edwards, I.A.,
SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated, Bangalore, the 9/10 April 1934.

Subject.

IMPOSITION AND COLLECTION OF AN EXCISE DUTY ON SUGAR.

SIR,

I am directed to enclose a copy of the papers noted in the margin, and to say that the Government of India have recently introduced in the Legislative Assembly the Sugar Excise Duty Bill, which imposes a duty of excise on sugar at the rate of one rupee and five annas per cwt.

1. Bill to provide for the imposition and collection of an excise duty on sugar.
2. Draft (Excise Duty) Order, 1934.

2. This bill, if and when it becomes an Act, will not of course extend to manufacturers in Indian States; and the consequence is that, unless measures are taken to prevent it, those factories in Indian States which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers.

3. In order to protect British manufacturers from this loss, Clause 6 of the Sugar Excise Duty Bill is designed to give power to the Governor General in Council to impose an import

import duty, equivalent to the excise duty, on sugar imported in to British India from any Indian State not declared as foreign territory under Section 5 of the Indian Tariff Act, 1894. It has however been decided not to exercise the power conferred by this Clause in respect of any Indian State which consents to impose a countervailing excise duty, the revenues from which would go to the treasury of the State concerned.

4. I am accordingly to suggest that the Government of Mysore should consider the advisability of levying for themselves a countervailing excise duty on sugar manufactured in their territory.

5. I am to add that the White Paper's proposals envisage the whole proceeds of an excise such as the sugar excise being retained by the Federal Government, subject to the power of the Federal Government to allot a proportion of the proceeds to the members of the Federation. The Government of India, therefore, cannot take any action which might be held to commit the future Federal Government or in any way to impair its sources of revenue. I am therefore to explain that the arrangements now contemplated are not be taken as prejudicing the possible position of a sugar excise as a federal source of revenue under a future constitution, but are to be regarded as a working arrangement which may be terminated by either party on reasonable notice if found not to be operating satisfactorily.

I have the honour to be
Sir,
Your most obedient servant.

Secretary to the Resident.

[To be introduced in the Legislative Assembly.]

Provide for the imposition and collection of an excise duty on sugar.

WHEREAS it is expedient to impose an excise duty on sugar produced in factories and to provide for the collection thereof; It is hereby enacted as follows:—

Short title and extent.

1. (*1*) This Act may be called the Sugar (Excise Duty) Act, 1934.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) "factory" means any premises wherein, or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power

(*b*) "owner" includes any person expressly or impliedly authorized by the owner of a factory to be his agent in respect of such factory; and

(*c*) "sugar" means any form of sugar containing more than ninety per cent. of sucrose.

Imposition of duty on sugar.

3. A duty of excise at the rate of one rupee and five annas per cwt. shall be levied on all sugar produced in any factory in British India and either issued out of such factory on or after the 1st day of April, 1934, or used within such factory on or after the said date in the manufacture of any commodity other than sugar, and shall be payable by the owner of the factory.

Recovery of duty with penalty.

4. (*1*) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding four times the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(*2*) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Act.

Issue of sugar from factory.

No person shall issue any sugar out of the premises of a factory, except in accordance with the provisions of rules made in that behalf under this Act, or, until

such rules are made, in accordance with the general or special orders of the Local Government.

Power of Governor General in Council to impose customs duty on sugar.

6. (*1*) The Governor General in Council may, by notification in the Gazette of India, impose on sugar brought into British India from the territory of any State in India, not being territory which has been declared under section 5 of the Indian Tariff Act, 1894, to be foreign territory for the purposes of that section, a duty of customs equivalent to the excise duty imposed by this Act on sugar produced in British India.

VIII of 1894.

(2) The Governor General in Council may, by notification in the Gazette of India, declare that the provisions of the Land Customs Act, 1924, shall apply to the levy of the duty of customs imposed under this section, and on such declaration that Act shall apply as if the expression "foreign territory" in that Act included territory forming part of a State in India

XIX of 1924.

Penalty for issue of sugar from factory in contravention of section 5.

Whoever contravenes the provisions of section 5 shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Penalty for evasion of duty or failure to supply information.

8. Whoever evades or attempts to evade the payment of any duty payable by him under this Act, or fails to supply any information which he is required by any rule made under this Act to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

Power of Courts to order forfeiture of sugar.

9. Any Court trying an offence under this Act may order that any sugar, together with the packages or coverings thereof, in respect of which the Court is satisfied that an offence under this Act has been committed, shall be forfeited to His Majesty

Application of the provisions of Act VIII of 1878 to the duty on sugar.

10. The Governor General in Council may, by notification in the Gazette of India, declare that any of the provisions of the Sea Customs Act, 1878, relating to the levy of and exemption from customs duties, drawback of duty, warehousing, offences and penalties, confiscation, and procedure relating to offences and appeals shall, with such modifications and alterations as he may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the duty on sugar imposed by section 3.

Power of Governor General in Council to make rules.

11. (*1*) The Governor General in Council may, by notification in the Gazette of India, make rules to carry into effect the purposes and objects of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) provide for the assessment and collection of the duty and the authorities by whom functions under this Act are to be discharged, the issue of notices requiring

payment, the manner in which the duty shall be payable, and the recovery of arrears ;

(*b*) regulate the issue of sugar out of any factory ;

(*c*) impose on the owners of factories, and on persons engaged in the sale of sugar, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns the particulars to be contained therein, and the manner in which they shall be verified ;

(*d*) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under section 9 of sugar in respect of which breaches of the Act or rules have been committed, and the disposal of sugar so detained or confiscated ;

(*e*) authorize and regulate the search of any place or conveyance used for the manufacture, storage or carriage of sugar ; and

(*f*) authorize and regulate the composition of offences against or liabilities incurred under the Act and rules.

(*3*) In making any rule under this section the Governor General in Council may provide that a breach of the rule shall, where no other penalty is provided by this Act, be punishable with imprisonment for any term not exceeding six months, or with fine not exceeding one thousand rupees, or with both imprisonment and fine.

(*4*) The Governor General in Council may delegate all or any of his powers under this section to a Local Government.

STATEMENT OF OBJECTS AND REASONS.

This Bill is designed to impose an excise duty on sugar produced in factories in British India. The rate of tax is fixed so as to be equal to the excess of the emergency surcharge over the figure by which, according to the Government's calculations, it would have been incumbent upon them to raise the protective duty in exercise of their power under section 4 of the Sugar Industry (Protection) Act, 1932, had the emergency surcharge not been in force.

2. The administration of the duty will be entrusted to the Local Governments, working as agents for the Government of India; but the Bill has been so drafted as to render it possible to revise this arrangement at a later stage.

3. Following the precedent of the Cotton Duties Act, Indian States in which sugar is produced will be invited to impose, for their own benefit, a corresponding excise duty, so as to maintain fair competition. Power is taken to recover duty on sugar imported from States that do not agree to this proposal, but it is hoped that no State in which sugar is produced will adopt that attitude.

GEORGE SCHUSTER,

NEW DELHI;

The 27th February, 1934

GOVERNMENT OF INDIA.

LEGISLATIVE ASSEMBLY-
DEPARTMENT.

BILL

TO

Provide for the imposition and collection of an excise duty on sugar; and Annexure.

The Governor General has been pleased to accord the sanction required by section 67(2) of the Government of India Act.

MD. RAFI,
Secretary of the Legislative Assembly.

(*The Honourable Sir George Schuster.*)

GIPD—1429 CBR—20-3-34—100.

DRAFT.

SUGAR (EXCISE DUTY) ORDER, 1934.

In exercise of the powers conferred by sections 10 and 11 of the Sugar (Excise Duty) Act, 1934 (of 1934), the Governor General in Council is pleased to apply in the adapted form set out below certain provisions of the Sea Customs Act, 1878 (VIII of 1878) and to make certain rules for the purpose of providing for the assessment and collection of the duty imposed by the said Act.

CHAPTER I.

Short title and definitions.

1. This Order may be called "The Sugar (Excise Duty) Order, 1934".

2. In this Order unless there is something repugnant in the subject or context:—

(*i*) "the Act" means the Sugar (Excise Duty) Act, 1934;

(*ii*) "Collector" means the chief officer in charge of the revenue administration of a district and includes any officer specially authorized to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under these Rules;

(*iii*) "Inspecting officer" means any officer of the Land Revenue, Excise, Customs, Salt or Income-tax Department authorized by the Collector to inspect the premises in which sugar liable to duty is possessed or manufactured;

(*iv*) "Duty" means the duty payable under section 3 of the Act.

CHAPTER II.

Special appointments and delegations.

3. Unless the Governor General in Council shall in any case otherwise direct, the power of specially authorizing any officer to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under these Rules shall be exercisable by the Local Government:

Provided that no officer of the Customs, Salt or Income-tax Department shall be appointed by the Collector to be an Inspecting Officer without the previous approval of the Central Board of Revenue.

CHAPTER III.

Manufacture.

4. Every owner of a factory shall keep a correct daily account in Form A appended to these Rules.

5. Within five days after the close of each month, every owner of a factory shall submit to the Collector a monthly return in Form B appended to these Rules showing the

quantity of sugar issued from the premises of the factory or used within the said premises for the manufacture of any commodity other than sugar during that month.

6. On receipt of the return referred to in Rule 5, the Collector shall, after verification of the return of exports, if any, to places outside India and such other enquiry as he may deem fit, assess the duty payable on sugar removed from the factory or used within its premises for the manufacture of any commodity other than sugar. If the owner of a factory fails to submit a return the Collector may make a summary assessment on such information as may be available. The amount assessed shall be communicated to the owner of a factory who shall pay it into the Treasury by the end of the month following that for which the return was required to be made.

7. The Collector or Inspecting Officer may enter the premises of any owner of a factory and inspect the building, the machinery, the stocks and the accounts.

8. Any owner of a factory who fails to keep a correct daily account or refuses to permit any authorized officer to enter his premises and inspect the building, machinery, stocks and accounts shall on conviction be liable to a penalty of fine not exceeding one thousand rupees or to imprisonment not exceeding six months or to both.

CHAPTER IV.

Refunds and Remissions.

9. Any person who exports from British India to any place outside India sugar on which duty has been paid under the Act, shall, on production of satisfactory evidence before the Collector that the sugar has been so exported and that the duty has been paid in respect of such sugar, receive a refund of that duty. If the exporter is the owner of the factory in which the sugar was produced, such refund may, at the discretion of the Collector, be paid in cash or by set off against duty due from the owner of the factory.

10. The Governor General in Council may, by notification in the Gazette of India, exempt any sugar from the whole or any part of the duty leviable thereon.

CHAPTER V.

Miscellaneous.

11. An appeal shall lie from any order of the Collector to such authority as the Local Government may direct, and any order of the Collector or of such authority may be revised by the Local Government or such higher authority as the Local Government may direct ; provided that in the case of an officer whose special authorization under Rule 2 has been made by the Governor General in Council, the appeal shall lie to the Central Board of Revenue, and any order of such Collector or the Central Board of Revenue may be revised by the Governor General in Council :

Provided that no order in revision shall be passed having an effect more prejudicial to the person concerned than the order under revision without such person's being given an opportunity of stating his case.

12. No appeal under Rule 11 shall be admitted unless received by the appellate authority within three months of the date of the Collector's order.

13. The Local Government may empower any officers of any department under its control to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar which may appear to them to have been illegally imported or manufactured.

14. The Collector may accept from any person who is reasonably suspected of having committed an offence under the Act or under these Rules a sum of money not exceeding one thousand rupees in lieu of punishment for breach of any of these Rules.

15. When duty has been short-levied through inadvertence, error, or misconstruction on the part of the Collector, or through mis-statement as to quantity on the part of the owner of a factory,

or, when any such duty after having been levied has been, owing to any such cause, erroneously refunded,

the person chargeable with the duty so short-levied, or to whom such refund has erroneously been made, shall pay the deficiency or repay the amount paid to him in excess, on demand being made within three months from the close of the month in respect of which the duty shall have been levied or from the date of making the refund.

16. No duty which has been paid and of which repayment wholly or in part is claimed in consequence of the same having been paid through inadvertence, error or misconstruction shall be returned unless such claim is made within three months from the date of such payment.

FORM A.

SUGAR MANUFACTURE ACCOUNT.

(*Vide* Rule 4).

Date.	Opening Balance.	Quantity manufactured.	Quantity issued from factory otherwise than for export out of India.	Quantity used within the factory for the manufacture of any other commodity.	Quantity removed from factory for export out of India.	Quantity destroyed by accident.	Closing Balance.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Total .							

FORM B.

MANUFACTURER'S MONTHLY RETURN.

(*Vide* Rule 5.)

Month.....*19* .

Opening Balance.	Sugar manufactured during the month.	Quantity issued from factory otherwise than for export out of India.	Quantity used in factory for the manufacture of another commodity.	Quantity removed from factory for export out of India.*	Quantity destroyed in factory.	
(1)	(2)	(3)	(4)	(5)	(6)	
Cwt.	Cwt.	Cwt.	Cwt.	Cwt	Cwt.	Cwt.

*Details regarding exports shown in column 5.

1. .....cwt. exported to.....per.....on....
2. .....cwt. exported to.....per.....on....
3. .....cwt. exported to.....per.....on....
4. .....cwt. exported to.....per.....on....

Signature.....

Dated the.....

Orders of Collector.

Duty of Rs.).....hundredweight, is hereby assessed, and must be paid on or before.....Inform assessee and enter in Revenue Registers.

Signature.....

Collector,

.....*District.*

Dated the.....

NOTIFICATION.

In pursuance of Rule 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (of 1934) sugar exported after the 1st April, 1934 by sea to any country outside India.

Appendix F G—1]

SUBJECT .....

.....

.....

Section Legislation

File No. 44-33

Serial No. 2

Diary No. of letter replied to .....

No. Pol 0.15

To The Secretary to the Government of the Dominion of

Sir

With reference to your letter No 2562/78-1934 of 4-4-34 forwarding for papers relating to the imposition by a Bill for the imposition and collection of an excise duty on Sugar, I am directed to state that the Govt of Ceylon would be prepared to levy a countervailing excise duty on sugar imported into

General and Revenue Secretariat

( )

the *193*

Date of issue 20-4-34

Signed by Wm R. Rl

List of enclosures .....

Copied by 20/4

Examined by .....

the details will be settled
after the Govt of Queensland
Bill becomes Law

I have etc

Chas Lilley

1894

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

16

General and Revenue Secretariat

Dated, Bangalore ~~10th April~~ *1934.*

No.

From R. Ranga Rao, Esq., B.A., B.L.,
Chief *Secretary to the Government of His Highness the Maharaja of Mysore*

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

Sir,

With reference to your letter No. 2562/78 of 1934 dated 9th April 1934 forwarding the papers relating to the introduction of a Bill for the imposition and collection of an excise duty on sugar, I am directed to state that the Government of Mysore would be prepared to levy a countervailing excise duty on sugar and that the details will be settled after the Government of India Bill becomes Law.

I have the honor to be,
Sir,
Your most obedient servant,

Chief Secretary to Government.

A Bill to provide for the imposition and collection of an excise duty on sugar.

Whereas it is expedient to impose an excise duty on sugar produced in factories and to provide for the collection thereof

It is hereby enacted as follows:

Short title and extent.

1.(1) This Regulation may be called the Sugar Excise Duty) Regulation, 193

(2) It extends to the whole of Mysore.

3) It shall come into force from such date as may be notified by the Government in the official Gazette.

(3)

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context.

(a) "factory" means any premises wherein or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power;

(b) "owner" includes any person expressly or impliedly authorised by the owner of a factory to be his agent in respect of such factory; ~~and~~

(c) "sugar" means any form of sugar containing more than ninety per cent of sucrose;

(d) "Khandsari sugar" means sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; and

(e) "palmyra sugar" means sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

[illegible]

[illegible]

[illegible]

Imposition of duty on sugar.

3. (1). A duty of excise shall be levied on all sugar produced in any factory in Mysore and either issued out of such factory ~~on or after the 1st day of .....1934.~~ or used within such factory ~~on or after the said date~~ in the manufacture of any commodity other than sugar and shall be payable by the owner of the factory.

(2) The duty payable under sub-section (1) shall be at the following rates namely:-

(i) on khandsari sugar at the rate of ten annas per cwt;

ii) on all other sugar except palmyara sugar at the rate of one rupee and five annas per cwt;

on palmyara sugar at such rate, if any, as may be fixed in this behalf by the ~~Government~~ Government after such enquiry as it may think fit.

4. (1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Regulation, it shall be deemed to be an arrear, and the Government may, in lieu thereof, recover any sum not exceeding double ~~the~~ such amount the amount of duty unpaid which it may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Regulation.

5. No person shall issue any sugar out of a factory, except in accordance with the provisions

of rules made in this behalf under this Regulation or, until such rules are made, in accordance with the general or special orders of the Government.

Power of Government to impose duty on sugar imported into Mysore.

6. The Government may, by notification in the official Gazette, impose on sugar brought into Mysore from the territory of any State in India, a duty equivalent to the excise duty imposed by this Regulation on sugar produced in Mysore.

Penalty for issue of sugar from Factory in contravension of Section 5.

7. Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to two thousand rupees.

Penalty for evasion of duty or failure to supply information.

8. Whoever evades or attempts to evade the payment of any duty payable by him under this Regulation, or fails to supply any information which he is required by any rule made under this Regulation to supply, or knowingly supplies false information shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

Power of Courts to order forfeiture of sugar.

9. Any Court trying an offence under this Regulation may order that any sugar, together with the packages or coverings thereof, in respect of which the Court is satisfied that an offence under this Regulation has been committed, shall be forfeited to the Government.

Power of Govt to make rules

10. (1) The Government may, by notification in the Official Gazette, make rules to carry into effect the purposes and objects of this Regulation

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may-

(a) provide for the assessment and collection

of the duty and the authorities by whom functions under Regulation are to be discharged, the issue of notices requiring payment, the manner in which the duty shall be payable, and the recovery of arrears;

(b) regulate the issue of sugar out of or the use of sugar in the manufacture of commodities within any factory and provide for the appointment of officers of Government to supervise within any factory such issue or use;

(c) impose on the owners of factories and on persons engaged in the sale of sugar, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns the particulars to be contained therein, and the manner in which they shall be verified;

(d) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under section 9 of sugar in respect of which breaches of the Regulation or rules have been committed, and the disposal of sugar so detained or confiscated;

(e) authorise and regulate the inspection or search of any place or conveyance used for the manufacture, storage or carriage of sugar; and

(f) authorise and regulate the composition of offences against or liabilities incurred under the Regulation and rules.

(3) In making any rule under this section the Government may provide that a breach of the rule shall, where no other penalty is provided by this Regulation, be punishable with fine not exceeding two thousand rupees.

Bill to provide for the imposition of and collection of an excise duty on Sugar.

Statement of Objects and Reasons.

By the passing of the Sugar (Excise Duty) Act of 1934 which ~~came into force on~~ is given effect from the 1st April 1934, the Government of India have imposed an excise duty on sugar produced in the factories in British India at the rate of Rs. 1-5-0 per cwt. As this Act does not extend to manufacturers in Indian States, ~~the consequence is that~~ The consequence, in the absence of safeguards, will be ~~to the effect~~ that the factories in Indian States which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers. In order to protect the British Indian Manufacturers from this loss, ~~clause~~ Section 6 of the Act empowers the Governor General in Council to impose an import duty equivalent to the excise duty on sugar imported into British India from any Indian State not declared as a foreign territory under Section 5 of the Indian Tariff Act, 1894. The Government of India have however decided not to exercise this power in respect of any Indian State which consents to impose a countervailing excise duty, the revenues from which would go to the treasury of the State concerned. It is therefore necessary to introduce legislatic providing fc. the levy of a similar excise duty on sugar manufactured in Mysore.

Bill to provide for the imposition of an collection of an Excise Duty on Sugar

Statement of General Principles

By the passing of the Sugar (Excise Duty) Act of 1934 which is given effect from the 1st April 1934, the Government of India have imposed an excise duty on sugar produced in the factories in British India at the rate of Rs. 1-5-0 per cwt. As the Act does not extend to manufacturers in Indian States, the consequence in the absence of safeguards will be that the factories in Indian States which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers. In order to protect the British Indian Manufacturers from this loss, Section 6 of the Act empowers the Governor-General in Council to impose an import duty equivalent to excise duty, on sugar imported into British India from any Indian State not declared a foreign territory under Section 5 of the Sea Tariff Act, 1894. The Government of India have decided not to exercise this power in respect of any Indian State to which consents to impose a countervailing excise duty, the proceeds of which would go to the treasury of the State concerned. It is therefore necessary to enact legislation providing for the levy of a countervailing excise duty on sugar manufactured in States. The Bill is designed to give effect to this.

NOTIFICATION

No. 5426—L. C. Bangalore, dated 26th May 1934.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the imposition of and collection of an Excise Duty on Sugar is published for general information with the statement of objects and reasons.

By Order

S. SUBRAHMANYA AIYAR

Secretary, Mysore Legislative Council.

A Bill to provide for the imposition and collection of an Excise Duty on Sugar.

Whereas it is expedient to impose an excise duty on sugar produced in factories and to provide for the collection thereof:

It is hereby enacted as follows:—

1. (1) This Regulation may be called the Sugar (Excise Duty) Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force from such date as may be notified by the Government in the *Official Gazette*.

2. In this Regulation, unless there is anything repugnant in the subject or context—

(*a*) "factory" means any premises wherein or within the precincts of which twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power;

(*b*) "owner" includes any person expressly or impliedly authorised by the owner of a factory to be his agent in respect of such factory;

(*c*) "sugar" means any form of sugar containing more than ninety per cent of sucrose;

(*d*) "Khandsari sugar" means sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; and

(e) "palmyra sugar" means sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

Imposition of Duty on Sugar.

3. (1) A duty of excise shall be levied on all sugar produced in any factory in Mysore and either issued out of such factory or used within such factory in the manufacture of any commodity other than sugar after the coming into force of this Regulation, and shall be payable by the owner of the factory

(2) The duty payable under sub-section (1) shall be at the following rates, namely

(i) on khandsari sugar at the rate of ten annas per cwt;

(ii) on all other sugar except palmyra sugar at the rate of one rupee and five annas per cwt

(iii) on palmyra sugar at such rate, if any as may be fixed in this behalf by the Government after such enquiry as it may think fit.

Recovery of Duty with Penalty

4. (1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Regulation, it shall be deemed to be an arrear and the Government may, in lieu thereof, recover any sum not exceeding double the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Regulation.

Issue of sugar from factory

5 No person shall issue any sugar out of a factory, except in accordance with the provisions of rules made in that behalf under this Regulation or until such rules are made, in accordance with the general or special orders of the Government.

Power of Government to impose duty on sugar imported into Mysore.

6. The Government may, by notification in the Official Gazette, impose on sugar brought into Mysore from the territory of any State in India, a duty equivalent to the excise duty imposed by this Regulation on sugar produced in Mysore.

Penalty issue of sugar from Factory in contravention of Section

Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to two thousand rupees

8. Whoever evades or attempts to evade the payment of any duty payable by him under this Regulation, or fails to supply any information which he is required by any rule made under this Regulation to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both. Penalty for evasion of duty or failure to supply information.

9. Any Court trying an offence under this Regulation may order that any sugar, together with the packages or coverings thereof, in respect of which the Court is satisfied that an offence under this Regulation has been committed, shall be forfeited to the Government. Power of Courts to order forfeiture of sugar.

10. (1) The Government may, by notification in the *Official Gazette*, make rules to carry into effect the purposes and objects of this Regulation. Power of Government to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) provide for the assessment and collection of the duty and the authorities by whom functions under Regulation are to be discharged, the issue of notices requiring payment, the manner in which the duty shall be payable, and the recovery of arrears;

(*b*) regulate the issue of sugar out of or the use of sugar in the manufacture of commodities within any factory and provide for the appointment of officers of Government to supervise within any factory such issue or use;

(*c*) impose on the owners of factories and on persons engaged in the sale of sugar the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained herein and the manner in which they shall be verified;

(*d*) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under Section 9 of sugar in respect of which breaches of the Regulation or rules have been committed, and the disposal of sugar so detained or confiscated;

(*e*) authorise and regulate the inspection or search of any place or conveyance used for the manufacture, storage or carriage of sugar; and

(*f*) authorise and regulate the composition of offences against or liabilities incurred under the Regulation and rules.

(3) In making any rule under this section, the Government may provide that a breach of the rule shall, where no other penalty is provided by this Regulation, be punishable with fine not exceeding two thousand rupees.

STATEMENT OF OBJECTS AND REASONS.

By the passing of the Sugar (Excise Duty) Act of 1934 which is given effect to from the 1st April 1934, the Government of India have imposed an excise duty on sugar produced in the factories in British India at the rate of Re. 1-5-0 per cwt. As this Act does not extend to manufacturers in Indian States, the consequence in the absence of safeguards will be that the factories in Indian States which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers. In order to protect the British Indian manufacturer from this loss, Section 6 of the Act empowers the Governor-General—in—Council to impose an import duty equivalent to the excise duty, on sugar imported into British India from any Indian State not declared as a foreign territory under Section 5 of the Indian Tariff Act, 1894. The Government of India have however decided not to exercise this power in respect of any Indian State which consents to impose a countervailing excise duty, the revenues from which would go to the treasury of the State concerned. It is therefore necessary to introduce legislation providing for the levy of a similar excise duty on sugar manufactured in Mysore. The Bill is designed to give effect to this.

No. 4065 / 7834 / Encl. 3

Office of the Resident in Mysore,

Bangalore, dated 6th June ~~May~~ 1934.

A copy of the undermentioned papers is forwarded with compliments to the Chief Secretary to the Government of His Highness the Maharaja of Mysore, for information, in continuation of letter from this Residency No.2562/78-1934, dated the 9th April 1934.

T. N. Thangavelu Mudaliar.
2-6-34

for SECRETARY TO THE RESIDENT.

NB

Notification by the Government of India, Finance Department (Central Revenues) No.1-C.E., dated the 3rd May 1934.

Notification by the Government of India, Finance Department (Central Revenues) No.2-C.E., dated the 3rd May 1934.

Letter from the Government of India, Finance Department (Central Revenues) No.D.Dis.450-Cus-1/34 dated the 5th May 1934.

Letter No.D.Dis.No.450-Cus.I/34, dated the 5th May 1934, from the Officiating Assistant Secretary to the Government of India, Finance Department (Central Revenues), to All Local Governments.

Subject:- Excise duty- sugar- accounting procedure for receipts.

I am directed to say that, as a matter of accounting, it is very desirable that receipts on account of sugar excise duty should show separately receipts from issues of (1) factory refined sugar, (2) khandsari sugar and (3) if a duty is imposed, palmyra sugar. I am directed to request that instructions to this effect may be issued to all the officers concerned.

"C o p y"

T. N. Thangavelu Mudaliar.

SUPERINTENDENT, RESIDENT'S OFFICE.

FINANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

CENTRAL EXCISES.

Simla, the 3rd May 1934.

SUGAR (EXCISE DUTY) ORDER, 1934.

No. 1.—In exercise of the powers conferred by sections 10 and 11 of the Sugar (Excise Duty) Act, 1934 (XIV of 1934), the Governor General in Council is pleased to apply in the adapted form set out below certain provisions of the Sea Customs Act, 1878 (VIII of 1878) and to make certain rules for the purpose of providing for the assessment and collection of the duty imposed by the first-mentioned Act.

CHAPTER I.

Short title and definitions.

1. This Order may be called " The Sugar (Excise Duty) Order, 1934 ".

2. In this Order unless there is anything repugnant in the subject or context :—

(*i*) " the Act " means the Sugar (Excise Duty) Act, 1934 ;

(*ii*) " Collector " means the chief officer in charge of the revenue administration of a district and includes any officer specially authorized to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under this Order ;

(*iii*) " Inspecting officer " means any officer of the Land Revenue, Excise, Customs, Salt or Income-tax Department authorized by the Collector to inspect the premises in which sugar liable to duty is possessed or manufactured and shall include an officer permanently stationed at the factory to supervise its operations :

Provided that no officer of the Customs, Salt or Income-tax Department shall be appointed by the Collector to be an Inspecting Officer without the previous approval of the Central Board of Revenue ;

(*iv*) " Duty " means the duty payable under section 3 of the Act.

CHAPTER II.

Special appointments and delegations.

3. Unless the Governor General in Council shall in any case otherwise direct, the power of specially authorizing any officer to exercise throughout a Province or any specified area therein all or any of the powers of a Collector under this Order shall be exercisable by the Local Government.

CHAPTER III.

Manufacture.

4. Every owner of a factory shall keep a correct daily account in Form A appended to this Order. Separate accounts shall be kept for (*a*) sugar other than khandsari sugar or palmyra sugar, (*b*) khandsari sugar, and (*c*) palmyra sugar.

5. Within five days after the close of each month, every owner of a factory shall submit to the Collector a monthly return in Form B appended to this Order showing the quantity of sugar issued from the premises of the factory or used within the said premises for the manufacture of any commodity other than sugar during that month. Separate returns shall be filed for (*a*) sugar other than khandsari sugar or palmyra sugar, (*b*) khandsari sugar, and (*c*) palmyra sugar.

6. On receipt of the return referred to in Clause 5, the Collector shall, after verification of the return of exports, if any, to places outside India and such other enquiry as he may deem fit, assess the duty payable on sugar removed from the factory or used within its premises for the manufacture of any commodity other than sugar. If the owner of a factory fails to submit a return the Collector may make a summary assessment on such information as may be available. The amount assessed shall be communicated to the owner of a factory who shall pay it into the Treasury by the end of the month following that for which the return was required to be made.

7. The Collector or Inspecting Officer may enter the premises of any owner of a factory and inspect the building, the machinery, the stocks and the accounts and may at any time check the correctness of the records made of removals of sugar from the factory or their transfer within the factory to that part of the premises (if any) in which it is to be used for the manufacture of any commodity other than sugar.

8. Any owner of a factory who fails to keep a correct daily account or refuses to permit any authorized officer to enter his premises and inspect the building, machinery, stocks and accounts shall be punishable with imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both.

CHAPTER IV.

Refunds and Remissions.

9. Any person who exports from British India to any place outside India sugar on which duty has been paid under the Act, shall, on production of satisfactory evidence before the Collector that the sugar has been so exported and that the duty has been paid in respect of such sugar, receive a refund of that duty. If the exporter is the owner of the factory in which the sugar was produced, such refund may, at the discretion of the Collector, be paid in cash or by set off against duty due from the owner of the factory.

10. The Governor General in Council may, by notification in the Gazette of India, exempt any sugar from the whole or any part of the duty leviable thereon.

CHAPTER V.

Miscellaneous.

11. Any dispute as to the sucrose content of sugar shall be determined by reference to such officer as the Local Government may empower in this behalf.

12. An appeal shall lie from any order of the Collector to such authority as the Local Government may direct, and any order of the Collector or of such authority may be revised by the Local Government (or such higher authority as the Local Government may direct); provided that in the case of an officer whose special authorization under Clause 3 has been made by the Governor General in Council, the appeal shall lie to the Central Board of Revenue, and any order of such Collector or of the Central Board of Revenue may be revised by the Governor General in Council

Provided further that no order in revision shall be passed having an effect more prejudicial to the person concerned than the order under revision without such person being given an opportunity of stating his case.

13. No appeal under Clause 11 shall be admitted unless received by the appellate authority within three months of the date of the Collector's order.

14. The Local Government may empower any officers of any department under its control to search any place, vessel, cart or means of conveyance for sugar liable to duty and to seize and remove or detain any sugar which may appear to them to have been illegally imported or manufactured.

15. The Collector may accept from any person who is reasonably suspected of having committed an offence under the Act or under this Order a sum of money not exceeding one thousand rupees in lieu of punishment for breach of any of the provisions of this Order.

16. When duty has been short-levied through inadvertence, error, or misconstruction on the part of the Collector, or through mis-statement as to quantity on the part of the owner of a factory

or, when any such duty after having been levied has been, owing to any such cause, erroneously refunded,

the person chargeable with the duty so short-levied, or to whom such refund has erroneously been made, shall pay the deficiency or repay the amount paid to him in excess, on demand being made within three months from the close of the month in respect of which the duty shall have been levied or from the date of making the refund.

17. No duty which has been paid and of which repayment wholly or in part is claimed in consequence of the same having been paid through inadvertence, error or misconstruction shall be returned unless such claim is made within three months from the date of such payment.

FORM A.

SUGAR MANUFACTURE ACCOUNT.

(*Vide* Clause 4.)

Date.	Opening Balance.	Quantity manufactured.	Quantity issued from factory otherwise than for export out of India.	Quantity used within the factory for the manufacture of any other commodity.	Quantity removed from factory for export out of India.	Quantity destroyed by accident.	Closing Balance.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Total .							

FORM B.

MANUFACTURER'S MONTHLY RETURN.

(*Vide* Clause 5.)

Month.....*19* .

Opening Balance.	Sugar manufactured during the month.	Quantity issued from factory otherwise than for export out of India.	Quantity used in factory for the manufacture of another commodity.	Quantity removed from factory for export out of India.*	Quantity destroyed in factory.	Closing Balance.
(1)	(2)	(3)		(5)	(6)	(7)
Cwt.	Cwt.	C	Cwt.	Cwt.	Cwt.	Cwt.

*Details regarding exports shown in column 5.

1.....cwt. exported to....per.....on....

2.....cwt. exported to....per.....on....

3.....cwt. exported to....per.....on....

4.....cwt. exported to....per.....on....

Signature... ....

Dated the.

Orders of Collector.

Duty of Rs....., on.....hundredweight, is hereby assessed, and must be paid on or before.....Inform assessee and enter in Revenue Registers.

Signature.....

Collector,

.....District

Dated the.....

A. H. LLOYD,

Joint Secy. to the Govt. of India.

C. No. 1|359-Cus. I.|34.

Copy forwarded to—

All Local Governments and Administrations.

All Collectors of Customs.

The Accountants General, United Provinces, Punjab, Bihar and Orissa, Central Provinces, Bengal, Bombay, Madras, Burma, the Comptrollers, Assam, and North-West Frontier Province, the Audit Officer, Lloyd Barrage and Canals Construction, Karachi, and the Accountant General, Central Revenues.

The Commerce Department.

The Director General of Commercial Intelligence and Statistics for publication in the Indian Trade Journal.

The Secretary, Tariff Board.

The Indian Trade Commissioner, London.

The Indian Government Trade Commissioner, Neuer Jungfernstieg, No. 9, Hamburg, Germany.

The Canadian Government Trade Commissioner, Calcutta.

The American Trade Commissioner, Calcutta.

The British Trade Commissioners in India, Calcutta and Bombay.

The Director, Federation of British Industries, London.

The Hon'ble the Agent to the Governor General in the States of Western India.

The Agent to the Governor General, Gujerat States and Resident at Baroda.

The Agent to the Governor General, Madras States.

The Chief Customs Officer, Port Okha (Kathiawar).

The Principal Collector of Customs, Colombo.

The Indian Stores Department.

The Finance Department.

The Foreign and Political Department.

M. C. KHANNA,

Offg. Asstt. Secy. to the Govt. of India.

INANCE DEPARTMENT (CENTRAL REVENUES).

NOTIFICATION.

CENTRAL EXCISES.

Simla, the 3rd May 1934.

No. 2.—In pursuance of Clause 10 of the Sugar (Excise Duty) Order, 1934, the Governor General in Council is pleased to exempt from the payment of the duty leviable under the Sugar (Excise Duty) Act, 1934 (XIV of 1934) sugar exported after the 1st April, 1934 by sea to any country outside India.

A. H. LLOYD,

Joint Secy. to the Govt. of India.

C. No. 2|359-Cus. I.|34.

Copy forwarded to—

All Local Governments and Administrations.

All Collectors of Customs.

The Accountants General, United Provinces, Punjab, Bihar and Orissa, Central Provinces, Bengal, Bombay, Madras, Burma, the Comptrollers, Assam, and North-West Frontier Province, the Audit Officer, Lloyd Barrage and Canals Construction, Karachi, and the Accountant General, Central Revenues.

The Commerce Department.

The Director General of Commercial Intelligence and Statistics for publication in the Indian Trade Journal.

H7CBR—2,100—8-5-34—GIPS

The Secretary, Tariff Board.

The Indian Trade Commissioner, London.

The Indian Government Trade Commissioner, Neuer Jungfernstieg, No. 9, Hamburg, Germany.

The Canadian Government Trade Commissioner, Calcutta.

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The Agent to the Governor General, Madras States.

The Chief Customs Officer, Port Okha (Kathiawar).

The Principal Collector of Customs, Colombo.

The Indian Stores Department.

The Finance Department.

The Foreign and Political Department.

M. C. KHANNA,

Offg. Asstt. Secy. to the Govt. of India.

SUGAR EXCISE DUTY BILL.

The Report of the Select Committee is circulated for favour of the signatures of the Members.

Mr. K.R. Srinivasa Iyengar. ✓
" N. Madhava Rao. ✓
" M. Venkatanaranappa. ✓
". A.V. Ramanathan. ✓
" K. Chengalraya Reddy. ✓
" P. Subbarama Chetty. ✓
" S.C. Mallaiya. ✓
" K.T. Bhashyam Iyengar. ✓
" R. Ranga Rao. ✓
The Second Member of Council.

Bill to provide for the imposition and collection of an Excise Duty on Sugar.

'I beg to move that the Bill to provide for the imposition and collection of an Excise Duty on Sugar be read in Council. This Bill is based on the Act passed by the Government of India recently, under which an Excise Duty of Rs.1-5-0 per Cwt. is imposed on all sugar produced in factories in British India. Although the British Indian Act cannot apply to Indian States, the Government of India have taken power to impose an Import Duty equivalent to the Excise Duty on sugar imported into British India, from Indian States. They have, however, decided not to exercise this power in respect of any State which consents to impose a countervailing Excise Duty, the revenues of which would go to the Treasury of the State. The British Indian Act has come into force with effect from April 1934.

The Situation created by this levy by the Government of India was fully reviewed by the Government of Mysore and after a careful consideration of all the circumstances, they have decided to levy a similar Excise Duty in Mysore and the bill which is drafted more or less on the lines of the Government of India Act is now placed before this House. The general principles of the bill were placed before the Representative Assembly at the recent Birthday Session but the majority of members were against the proposed measure. Judging by the discussion there

there, it appears that the main reasons of the majority apart from the normal antagonism to the levy of a new tax were that but for this levy, the price of sugar could be reduced in the local market and that the interests of canegrowers might be jeopardised. These apprehensions are quite unfounded. By not levying this duty the consumers are not likely to benefit as the price of sugar will be kept up at its normal market level. It would not be to the interests of sugar factories in Mysore to reduce prices when a better price can be had. Sugar is a world commodity and its price is dependent upon several factors beyond the control of local factory owners. It is quite out of question that any reduction in price could be expected by not levying it. It is likely that the factory owners will attempt to pass the duty on either to the consumer by increase of prices or the cane growers by paying less for the cane than before. In the former case the competition of cheap outside sugar will tend to check the tendency to undue inflation of prices. As regards the price to be paid to cane growers, you will notice from the Agenda that Government are proposing a measure to safeguard the interests of cane growers. The levy of the Duty by us will bring Government a substantial revenue which otherwise would go to swell the revenue of the Government of India. A fairly large quantity of sugar produced by the Mysore Sugar Company finds its way into British India and this quantity will increase very much after the expansion of the present factory to double its size. If we do not levy the duty, the benefit of it will be reaped by the Government of India and not by ourselves.

The Dewan has in his concluding speech at the Assembly fully dealt with this subject and I do not want to take up any more of your time. I move that the Bill to provide for the imposition and collection of an Excise Duty on sugar be read in Council.

Report of the Select Committee on the Sugar (Excise Duty) Bill

We, the undersigned members of the Select Committee on the Sugar (Excise Duty) Bill to which the Bill was referred, have considered the Bill at the meeting held on 28th June 1934 and have now the honour to submit this our report.

We have examined the Bill and have no modifications to suggest except a few verbal changes as follows:-

1. In clause 4 (1) substitute the word "it" for the words "such authority".

2. In clause 10 (2) (a) add the word "this" before the word "Regulation".

A suggestion was made during the discussions that the words "without reasonable cause and excuse" may be inserted after the word "fails" in clause 8, but after discussion it was decided by a majority that the amendment was unnecessary.

The Bill need not be published in the Gazette.

Bangalore,
Dated 28th June 1934.

N Mallappa
R. Rangaiah
Subbarayan
Malliah
Subbaraman Chetty
K Chengalaraya Reddy

Select Committee – The
Sugar Excise Duty

May the meeting be
held at 8 A.M on Thursday
The 28th inst

Secy Member) CE
26/6/34

Yes

Sd/-
26/6

Mr. Devdas Gandhi wants
to circulate the names of members of the S.C.
Select committee

Draft Letter
Done
26/6

Members
1 K.R.S Iyengar ✓
Dr Subbarayan ✓
Dr Venkata Ramanaiya ✓
A.V. Ramanatha ✓
K. Chengal Reddy ✓
Subbarayan Chetty ✓
S.C. Mukherjee ✓
K.T. B Iyengar ✓
R. Ramayya Rao ✓
11 members (chairman)

all by 1st

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue 26/6/34

Signed by W C S [illegible]

List of enclosures .....

Copied by .....

Examined by .....

Section

File No.

Serial No.

No. C. M. P 5904

To 1 Members of the Select Committee appd. to Consider the Indian Income Duty Bill with the Members of the Second Chamber of Commerce in Patna at 8 p.m. on Thursday the 28th inst.

By Order

Secretary to the Select Committee

To

The Members of S.C.

(Those not in Patna)

Copy to (1) D.A.-G Members (2) H.C. Office (3) C.B./SW Section for making the necessary arrangements

WD 0677—GPB—15,000—8-11-33

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P.3404

General and Revenue Secretariat

Dated Bangalore 26th June

Official Memorandum

NOTIFICATION.

A meeting of the Select Committee appointed to consider the Sugar (Excise Duty) Bill, will be held in the Chambers of the Second Member of Council, in Public Offices, Bangalore. at 8 A.M. on Thursday the 28th instant.

By order

Secretary to the Select Committee.

Member, Mysore Legislative Council
and Member of the Select Committee.

G. R. S. III—3] No P 5904 — 17

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

1 Rao Sahib Bhashyam K R Sreenivasamurthy Esq

2 Mr. Venkatanarasappa Esq (Deputy P.C. 22/6

3 K. Chengalraya Reddy Esq.

4 S. C. Mallah

5 K. T. Bhashyam

6 R. Ranga Rao (Chetty & Co) P.C. 27.6

7 P. Subbaraiya chetty & Co

8 N. Madhava Rao & Co

9 A V Ramanathan

NOTIFICATION.

No. Rl. 1046—*L. C., dated 28th June* 1934.

Under Standing Order No. 49 of the Standing Orders for the conduct of business of the Mysore Legislative Council, the following report of the Select Committee on the Bill to provide for the Imposition and Collection of an Excise Duty on Sugar is published for general information.

By Order,

C. SUBRAHMANYA AIYAR,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Sugar (Excise Duty) Bill.

We, the undersigned members of the Select Committee on the Sugar (Excise Duty) Bill to which it was referred, have considered the Bill at the meeting held on 28th June 1934 and have now the honour to submit this our report.

We have examined the Bill and have no modifications to suggest except a few verbal changes as follows:—

1. In clause 4 (1) substitute the word "it" for the words "such authority."

2. In clause 10 (2) (*a*) add the word "this" before the word "Regulation."

A suggestion was made during the discussions that the words "without reasonable cause and excuse" may be inserted after the word "fails" in clause 8 but after discussion, it was decided by a majority that the amendment was unnecessary.

The Bill need not be published in the Gazette.

BANGALORE,
Dated 28th June 1934.

S. P. Rajagopalachari,
(*Chairman*).

K. R. Srinivasa Iyengar.
N. Madhava Rao.
R. Ranga Rao.
M. Venkatanaranappa.
A. V. Ramanathan.
K. T. Bhashyam Iyengar.
S. C. Malliah.
P. Subbarama Chetty.
K. Chengalaraya Reddy.

THE MYSORE LEGISLATIVE COUNCIL.

BUDGET SESSION—JUNE AND JULY 1934

STATEMENT OF BUSINESS TO BE TRANSACTED AT THE MEETING OF THE LEGISLATIVE COUNCIL TO BE HELD ON TUESDAY, THE 26TH JUNE 1934 AND ON SUCCEEDING DAYS (Concluded).

IV. BILLS.

1. Bill to provide for the imposition and collection of an Excise duty on Sugar.
   (*a*) Motion that the Report of the Select Committee on the Bill and the Bill as amended by them be taken into consideration.
   Mover.—Mr. S. P. Rajagopalachari.
   Seconder.—Mr. M. Venkatanarnappa.

   (*b*) Motion that the Bill as amended be passed.
   Mover.—Mr. S. P. Rajagopalachari.
   Seconder.—Mr. M. Venkatanarnappa.

2. Bill to provide for the imposition and collection of an Excise duty on Matches.
   (*a*) Motion that the Report of the Select Committee on the Bill and the Bill as amended by them be taken into consideration.
   Mover.—*Rajamantrapravina Diwan Bahadur* K. Matthan.
   Seconder.—Mr. M. Venkatanarnappa.

   (*b*) Motion that the Bill as amended be passed.
   Mover.—*Rajamantrapravina Diwan Bahadur* K. Matthan.
   Seconder.—Mr. M. Venkatanarnappa.

Dated Bangalore,
30th June 1934.

C. SUBRAHMANYA AIYAR,
Secretary, Mysore Legislative Council.

G. R. S. VI.—S-III/14]

DRAFT

SUBJECT.....

Section. Legs
*File No.
Serial No. Leg-33
3

Proceedings of the Government of H. H. the Maharaja of Musore.

Diary No. of letter replied to.....

Order No. P 27

GENERAL AND REVENUE SECRETARIAT,

( )

the.....*191*

Ordered that the accompanying Regulation to provide for the supervision and collection of Excise duty on sugar which received the assent of His Highness the Maharaja, on the 10th day of June 1934 be published as Regulation No. II of 1934, in the *Mysore Gazette* for general information.

Date of issue 14/7/1934

Signed by [illegible]

Secretary to Government.

Gen Dept

May this be—

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

To

The Compiler, *Mysore Gazette*, for publication in Part IV of the Gazette, in English and Kannada and for supply of .....spare copies in English, and ~~.....spare copies in Kannada to this office, and.....spare copies in English and.....spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore~~. Proofs should be sent to this office for approval before publication.

8/per 5.0

Copy to Translation Section

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

~~Read:-~~
~~xxxxx~~

O r d e r No. P237

Bangalore, dated the 14th July 1934.

Ordered that the accompanying Regulation to provide for the imposition and collection of ~~our~~ our Excise Duty on Sugar which received the assent of His Highness the Maharaja, on the 10th Day of July 1934, be published as Regulation No. II of 1934, in the Mysore Gazette for general information.

By order,
General Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English, and Kannada as per standing orders. Proofs should be sent to this office for approval before publication.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Order No. P 237

Bangalore, dated the 14th July 1934.

Ordered that the accompanying Regulation to provide for the imposition and collection of ~~an~~ an Excise Duty on Sugar which received the assent of His Highness the Maharaja, on the 10th Day of July 1934, be published as Regulation No. II of 1934, in the Mysore Gazette for general information.

Abdul Majid.
General Secretary to Government.

To.

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette, in English and Kannada and for supply of spare copies in English, and Kannada as per standing orders. Proofs should be sent to this office for approval before publication.

Gazette 17/7/34

matter given to the H.R. Press 19/7/34

w/- under
Secret No. 343
dtd 24/7/34
bn 1.4

Regulation No II of 1934

~~NOTIFICATION.~~

No. 5426—*L. C. Bangalore, dated 26th May* 1934.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the imposition of and collection of an Excise Duty on Sugar is published for general information with the ~~statement of objects and reasons.~~

By Order

C. SUBRAHMANYA AIYAR,

~~*Secretary, Mysore Legislative Council.*~~

Received the assent of His Highness the Maharaja on the 10th day of July 1934)
Regulation

A ~~Bill~~ to provide for the imposition and collection of an Excise Duty on Sugar.

Whereas it is expedient to impose an excise duty on sugar produced in factories and to provide for the collection thereof:

It is hereby enacted as follows:—

Short Title and Extent.

1. (1) This Regulation may be called the Sugar (Excise Duty) Regulation, 1934.

(2) It extends to the whole of Mysore.

(3) It shall come into force from such date as may be notified by the Government in the *Official Gazette*.

Definitions.

2. In this Regulation, unless there is anything repugnant in the subject or context—

(*a*) "factory" means any premises wherein or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which any manufacturing process connected with the production of sugar is being carried on or is ordinarily carried on with the aid of power;

(*b*) "owner" includes any person expressly or impliedly authorised by the owner of a factory to be his agent in respect of such factory;

(*c*) "sugar" means any form of sugar containing more than ninety per cent of sucrose;

(*d*) "Khandsari sugar" means sugar in the manufacture of which neither a vacuum pan nor a vacuum evaporator is employed; and

(*e*) "palmyra sugar" means sugar manufactured from jaggery obtained by boiling the juice of the palmyra palm.

Imposition of Duty on Sugar.

3. (1) A duty of excise shall be levied on all sugar produced in any factory in Mysore and either issued out of such factory or used within such factory in the manufacture of any commodity other than sugar after the coming into force of this Regulation, and shall be payable by the owner of the factory.

(2) The duty payable under sub-section (1) shall be at the following rates, namely :—

(*i*) on khandsari sugar at the rate of ten annas per cwt;

(*ii*) on all other sugar except palmyra sugar at the rate of one rupee and five annas per cwt;

(*iii*) on palmyra sugar at such rate, if any, as may be fixed in this behalf by the Government after such enquiry as it may think fit.

Recovery of Duty with Penalty.

4. (1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Regulation, it shall be deemed to be an arrear, and the Government may, in lieu thereof, recover any sum not exceeding double the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Regulation.

Issue of sugar from factory.

5. No person shall issue any sugar out of a factory, except in accordance with the provisions of rules made in that behalf under this Regulation or until such rules are made, in accordance with the general or special orders of the Government.

Power of Government to impose duty on sugar imported into Mysore.

6. The Government may, by notification in the Official Gazette, impose on sugar brought into Mysore from the territory of any State in India, a duty equivalent to the excise duty imposed by this Regulation on sugar produced in Mysore.

Penalty for issue of sugar from Factory in contravention of Section 5.

7. Whoever contravenes the provisions of section 5 shall be punishable with fine which may extend to two thousand rupees.

8. Whoever evades or attempts to evade the payment of any duty payable by him under this Regulation, or fails to supply any information which he is required by any rule made under this Regulation to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both. Penalty for evasion of duty or failure to supply information.

9. Any Court trying an offence under this Regulation may order that any sugar, together with the packages or coverings thereof, in respect of which the Court is satisfied that an offence under this Regulation has been committed, shall be forfeited to the Government. Power of Courts to order forfeiture of sugar.

10. (1) The Government may, by notification in the *Official Gazette*, make rules to carry into effect the purposes and objects of this Regulation. Power of Government to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) provide for the assessment and collection of the duty and the authorities by whom functions under Regulation are to be discharged, the issue of notices requiring payment, the manner in which the duty shall be payable, and the recovery of arrears;

(*b*) regulate the issue of sugar out of or the use of sugar in the manufacture of commodities within any factory and provide for the appointment of officers of Government to supervise within any factory such issue or use;

(*c*) impose on the owners of factories and on persons engaged in the sale of sugar, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained therein and the manner in which they shall be verified;

(*d*) provide for the detention of sugar for the purpose of exacting the duty, the confiscation otherwise than under Section 9 of sugar in respect of which breaches of the Regulation or rules have been committed, and the disposal of sugar so detained or confiscated;

(*e*) authorise and regulate the inspection or search of any place or conveyance used for the manufacture, storage or carriage of sugar; and

(*f*) authorise and regulate the composition of offences against or liabilities incurred under the Regulation and rules.

(3) In making any rule under this section, the Government may provide that a breach of the rule shall, where no other penalty is provided by this Regulation, be punishable with fine not exceeding two thousand rupees.

(50) Mirza M. 25

STATEMENT OF OBJECTS AND REASONS.

By the passing of the Sugar (Excise Duty) Act of 1934 which is given effect to from the 1st April 1934, the Government of India have imposed an excise duty on sugar produced in the factories in British India at the rate of Re. 1-5-0 per cwt. As this Act does not extend to manufacturers in Indian States, the consequence in the absence of safeguards will be that the factories in Indian States which produce sugar will be able to send their sugar into British India unburdened with any duty, and to compete at an undue advantage with British Indian manufacturers. In order to protect the British Indian manufacturer from this loss, Section 6 of the Act empowers the Governor-General—in—Council to impose an import duty equivalent to the excise duty, on sugar imported into British India from any Indian State not declared as a foreign territory under Section 5 of the Indian Tariff Act, 1894. The Government of India have however decided not to exercise this power in respect of any Indian State which consents to impose a countervailing excise duty, the revenues from which would go to the treasury of the State concerned. It is therefore necessary to introduce legislation providing for the levy of a similar excise duty on sugar manufactured in Mysore. The Bill is designed to give effect to this.

ed by the Superintendent at the Government Press, Bangalore.